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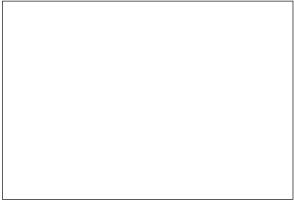
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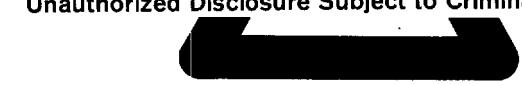
NATIONAL INTELLIGENCE DAILY CABLE

Thursday 25 May 1978 CG NIDC 78/122C

DIA review(s) completed.



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National Intelligence Daily Cable for Thursday, 25 May 1978.

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The NID Cable is for the purpose of informing senior US officials.

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CHINA-VIETNAM: Propaganda Blast

25X1 [redacted] Tensions between China and Vietnam continue to mount. Peking yesterday officially protested Hanoi's expulsion of large numbers of ethnic Chinese from Vietnam and may be taking economic countermeasures. China's decision to force the issue of Vietnam's policies toward its ethnic Chinese population may portend a prolonged period of sharp political warfare between the two sides.

25X1 [redacted] The Chinese Government yesterday issued a strongly worded statement protesting Vietnam's "persecution and eviction" of Chinese residents. China demanded that Vietnam "immediately stop implementing" anti-Chinese policies and warned that Vietnam would "bear full responsibility for all the consequences" if it did not do so.

25X1 [redacted] The statement recounts recent Chinese efforts to persuade Vietnam to cease "extremely unfriendly" measures against Chinese in Vietnam and asserts that Vietnam had only become "more vicious." China says more than 70,000 Chinese already have fled from Vietnam to China. Similar figures on the refugee flow from Vietnam have appeared in Peking-controlled newspapers in Hong Kong--many of which are now carrying first-hand accounts of Vietnamese brutality against departing Chinese.

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[Redacted] While Vietnam's move against its Chinese community is clearly the immediate cause for the recent increase in Sino-Vietnamese tensions, the relationship has long been troubled by a number of more fundamental problems. These include:

- China's distress over Hanoi's close ties with the USSR.
- A natural rivalry for regional influence.
- Territorial disputes involving islands in the South China Sea and some stretches of the land border.

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[Redacted] Despite periodic surfacing of these problems, both sides managed to contain their differences during the Indochina War. Since the end of the war, these problems have gradually come to the fore. Until Peking focused on Hanoi's treatment of ethnic Chinese in Vietnam, China's support for Cambodia in its border war with Vietnam had been the most dramatic manifestation of the basic conflict between the two sides. [Redacted]

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YUGOSLAVIA: Tito's Health

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[redacted] Yugoslav President Tito's decision not to appear at his birthday celebration today was probably made because of health problems, but we do not believe that the 86-year-old President has any new life-threatening problem.

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[redacted] Last Sunday, Tito went to Rijeka on his yacht to visit a new petrochemical complex, and he has made several other public appearances in recent weeks.

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[redacted] The official reason given for the cancellation of his traditional appearance at the mass rally to honor him is that he is too busy with preparations for the party congress scheduled for 20 to 23 June. We do not believe that Tito is pre-occupied with matters related to the congress, because these are well in hand and the party has already announced most of the key personnel and policy decisions. Unless Tito is altering the scenario for the party congress in some basic way and for some unknown reasons, we view the official explanation as an attempt to reassure the public of his continued vigor.

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[redacted] Government spokesmen emphatically deny that Tito's health is a problem. This official line may be dictated in part by Tito's vanity about his reputation for vigorous longevity. The President may thus have cancelled his appearance rather than display any physical debilitation.

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[redacted] Tito most certainly intends to be in good form to deliver the main report to the party congress. He also wants to be prepared for extensive talks with key delegations at the conference of foreign ministers from nonaligned states in Belgrade in late July. His performances during these important meetings should clarify questions about his physical and mental condition.

ZAIRE: Military Situation

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[redacted] //Belgian and French forces in Zaire apparently are taking up positions in several towns in southern Shaba Region to reassure remaining Europeans who may be threatened by Katangan infiltrators or sympathizers. French units from Kolwezi conducting patrols in the countryside have found some missing Europeans; some French soldiers also may be operating near the Zambian border.//

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[redacted] //According to the US defense attache in Kinshasa, the Belgians have sent one company of paratroopers to Lubumbashi and may send other small security units to nearby towns. The Belgians have orders to take no offensive action, however, without authorization from Brussels.//

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[redacted] The French, who sent 40 soldiers to Likasi on Tuesday, had urged the Belgians to move into Lubumbashi because of rumors of Katangan infiltration and of considerable local support for the Katangans. Some Europeans have asked for arms and permission to form their own militia, presumably because they lack confidence in the ability or willingness of the Zairian Army to defend them.

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[redacted] //French patrols south of Kolwezi apparently killed six rebels. The US defense attache believes other French patrols may have gone near the Zambian border to locate rebel escape routes and to recover stolen vehicles and equipment.//

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[redacted] //The Zairians have arrested General Tshikeva, commander of Zairian forces in Kolwezi at the time of the Katangan attack. He will be tried by a military tribunal [redacted]

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[redacted] The government probably blames Tshikeva for the Army's poor performance during the early days of the fighting.// [redacted]

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AFRICA-FRANCE: Summit Meeting

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[redacted] Representatives of 21 French-speaking African countries attending a two-day summit meeting in Paris turned down a French-backed Gabonese proposal that they form an African force for use in situations such as the Shaba invasion. Their only concession on the issue was to set up a committee to explore broadening existing defense agreements.

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[redacted]

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[redacted] French President Giscard chaired the meeting. In his opening speech, he said that the prime responsibility for the security of the African states lies with the countries directly concerned. He stated that France was providing "limited technical assistance" to Zaire and clearly ruled out France's playing the wider role that the African states--particularly Zaire--had requested.

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[redacted] Despite Giscard's urging and despite expressions of support for Zaire and President Mobutu, the conference participants again demonstrated the reluctance of African governments to assume defense burdens.

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[redacted] Previous French-speaking summits--this was the fifth--have concentrated on economic and developmental problems. The Shaba incursion and the French-Belgian intervention changed the focus of this week's conference, but apparently did not alter the ingrained views of the Africans that they should be able to call on friendly powers when they need help.

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[redacted] Although Giscard consistently has said publicly that France will play only a limited military role in Africa, during the past year the French Air Force was directly involved in the fighting in Mauritania and French ground force units are supporting Chadian forces against the Muslim insurgents.

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[redacted] Few French people, however, support France's playing a greater role in Africa. In a parliamentary debate last week, Maurice Couve De Murville, former Foreign Minister and president of the National Assembly's Committee on Foreign Affairs, noted that the parliament had the right to debate a decision to intervene in a foreign country and to call for a motion of censure.

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[redacted] This Gaullist questioning on constitutional grounds of the government's intervention in Shaba is a warning to Giscard's forces that they are a minority within the governing coalition and cannot count on unquestioning support from the Gaullists. The Gaullists would probably not want to give the left the additional votes needed to bring down the Barre government in a censure motion on this issue.

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[redacted]

FRANCE: Left's Party Congress

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[redacted] The French Left Radical Party's congress last weekend ended in a victory for those who intend to keep the party firmly anchored on the left and in close cooperation with the Socialist Party.

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[redacted] By electing Michel Crepeau, mayor of La Rochelle, as president, the party rejected the "autonomous" policy of Jacques Maroselli, who had the backing of former party president Robert Fabre and the party's political and administrative machinery. Maroselli's strategy would have taken the party toward a center-opposition role and probably eventually into an alliance with some of President Giscard's forces. The party did badly in the recent legislative election; it obtained only 2.1 percent of the vote and lost three of its 13 seats in the National Assembly.

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[redacted] The Left Radicals are unlikely to present either a separate list of candidates for the European Parliament election next year or a candidate for the presidency in 1981; Left Radical candidates would draw support away from the Socialists. They probably will compete with the Socialists for the center-left vote in the next legislative election and probably in local elections.

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[redacted] The future of the Left Radical Party is unclear because it has lost some of its financial support. The party nevertheless has avoided a split for the moment, and new party president Crepeau has a chance to renovate it. [redacted]

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CUBA: Fisheries Assistance

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[redacted] //Cuba is expanding fisheries assistance to developing countries as part of an increased effort to assure access for the Cuban fishing fleet to the new 200-mile economic zones. Since 1976, Cuba has signed accords with Benin, Mozambique, Angola, and North Yemen; it now has fisheries agreements with seven developing countries. Cuba also has offered assistance to Barbados, Nigeria, and Mexico.//

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[redacted] //Cuba's present fisheries assistance campaign would have been impossible without massive Soviet technical



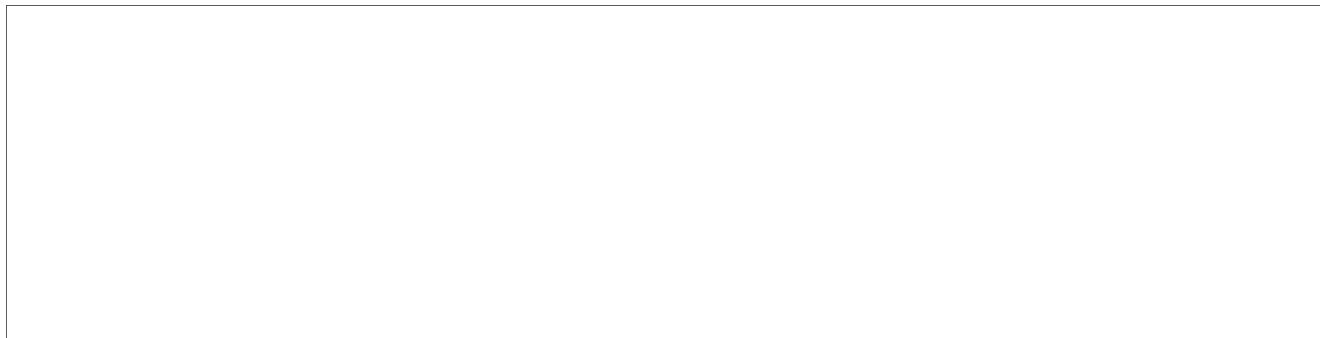
and financial support. Cuba now can offer fishing equipment, construct onshore facilities, and supply technical assistance that may be more favorably received than that provided by the Soviets.//

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//The highlight of Cuba's nascent fisheries assistance program is its 1976 cooperation agreement with Angola--the most extensive bilateral foreign aid program Havana has initiated. Cuba agreed to construct shore facilities in Angola and to provide the Angolans with fishing trawlers and extensive training. Angola agreed to allow Cuban fishing trawlers and tuna boats to use Angolan ports to fish in the rich Benguda Current off Namibia's coast.//

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//Cuba signed its most recent agreement last February with Benin. Under this accord, Cuban technicians will teach fishing techniques, establish fishing cooperatives, and assist in marketing and exporting. Havana also will provide Benin with fishing boats and grant scholarships for study in Cuba. In return, the Cubans probably will gain access to Benin's 25X1 port and crew-transfer facilities.//



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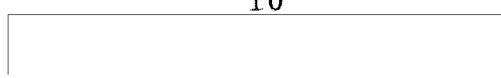
//Because of these initiatives, Cuban trawlers are now able to operate in the Southeast Pacific, South Atlantic and, to a limited extent, in the West Indian Ocean. The improved access to fishing grounds has bolstered Havana's hard-currency earnings, which have suffered badly since 1975 from falling sugar prices.//

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CANADA-CUBA: Aid Cutoff Announced

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//Canadian Prime Minister Trudeau announced Tuesday in Parliament that Ottawa will soon cut off economic



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aid to Havana to protest Cuban activities in Africa. The Canadian move, however, will not have a significant impact on the Cuban economy.//

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//The modest Canadian aid package--a \$10 million line of credit and about \$4.5 million in technical assistance--actually ran out on 31 March. The Canadian Government's sensitivity in an election year to the strong criticism leveled against such aid led it to delay renewing the package, and reports that the Cubans played a role in the recent invasion of Zaire caused it to decide to end the aid.//

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//Canadian reluctance to act sooner stemmed partly from Trudeau's longtime fascination with Cuban President Castro and partly from reluctance to jeopardize the favorable balance of trade that Canada enjoys with Cuba. The two countries have had continuous relations since the 1959 revolution in Cuba.//

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//The termination of Canadian aid will be a political setback for the Castro government, but it will not deal a serious blow to the Cuban economy. Western development assistance, of which Canada accounts for about one-quarter, has been running at about \$20 million annually in recent years--only a small fraction of Cuban hard-currency borrowings from Western trading partners and international financial markets.//

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//Havana, nevertheless, is concerned that the Canadian decision will precipitate similar action by other Western countries. Several West European countries have already expressed their intentions to review closely--if not to terminate--their current development assistance programs to Cuba. None of these countries has indicated it is considering a reduction in trade with Cuba.//

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PERU: General Strike Effective

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//An extremely effective nationwide general strike on Monday and Tuesday, the latest in a series of public protests against the harsh austerity measures announced on 14 May, has left Peruvian Government leaders reeling. Security forces are concerned over their inability to contain the protests, which since 15 May have left 21 dead and scores injured. Prolongation of the violent demonstrations poses a serious threat to the government of President Morales Bermudez as well as to Peru's planned return to constitutional rule in 1980.//

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[REDACTED] The strike, which was supported by nearly all the large trade union confederations, brought commercial life in Lima and large provincial cities to a virtual standstill. Eight persons are said to have died during the two-day walkout as security forces clashed with youthful looters in the shantytowns surrounding the capital. The army made a major show of force on Tuesday to prevent further strike-related violence.

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[REDACTED] //Yesterday transportation and commercial activity in Lima and most other cities were almost normal nonetheless, the Communist-led trade union confederation, a key sponsor of the work stoppage, has threatened to call an indefinite walkout if the government fails to release a number of leftist union activists arrested last weekend. Spontaneous public demonstrations over steep price hikes for food staples and fuel also are likely to continue.//

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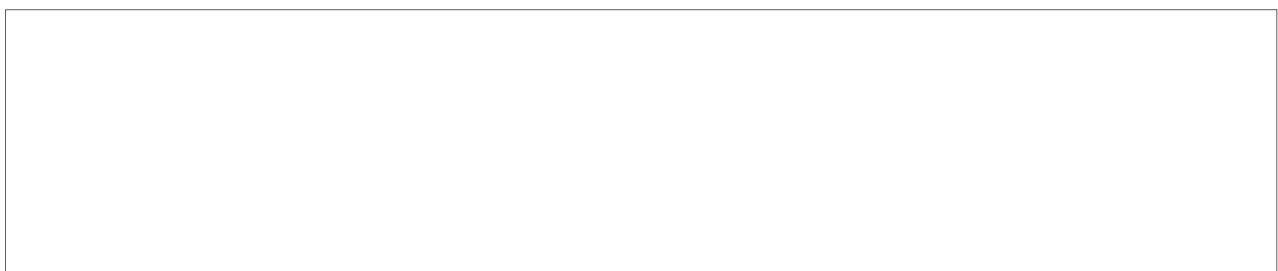


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[REDACTED] //The protests, which have now spread to 28 cities and towns, are at least partially responsible for a two-week postponement of the election of the constituent assembly now scheduled for 18 June. Continued unrest could lead to cancellation of the balloting and even to a rightwing coup against Morales Bermudez, which has been rumored in Lima for the past week. Either development could make an early return to constitutional government a remote prospect at best.// [REDACTED]

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BRIEFS



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[Redacted]

South Africa - Namibia

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[Redacted] South African Prime Minister Vorster has rebuffed a request from five Western governments that he not announce a voter registration for a Namibian election until the South-West Africa People's Organization and the UN Security Council accept the Western settlement proposal for the territory. Vorster told the Western envoys in Cape Town yesterday that he will delay for only two weeks announcing a voter registration.

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[Redacted] //This is the most explicit of Vorster's many threats to take early steps toward an "internal solution" for Namibia if the SWAPO leaders hold out for settlement terms that are unacceptable to South Africa. When Foreign Minister Botha informed the Western envoys last week that Pretoria would soon conduct a voter registration, he said that Vorster would delay announcing the move for a few weeks and await a response from the Western governments.//

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